

**NATIONAL DAIRY MARKET AT A GLANCE****CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (06/09):**

**BUTTER:** Grade AA closed at \$1.3300. The weekly average for Grade AA is \$1.3392 (+.0117).

**CHEESE:** Barrels closed at \$1.1400 and blocks at \$1.1350. The weekly average for barrels is \$1.1320 (+.0189) and blocks, \$1.1290 (+.0177).

**NONFAT DRY MILK:** Extra Grade and Grade A closed at \$1.0300. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0300 (N.C.).

**BUTTER:** Churning schedules are moderate. Cream volumes for butter needs vary across the country. Warmer than usual temperatures in many parts of the country are causing the tests on incoming milk receipts to decline at a faster pace leading to less cream. Ice cream production continues to absorb large volumes of available cream. With schools closing for the summer, cream availability from standardization has also decreased. Butter stocks are reported to be in balance with current needs, although many producers are questioning if stocks will be sufficient for late summer and fall needs. Overall butter demand is seasonally strong. Scattered retail feature activity is stimulating good buyer interest. Food service orders are settling into summer patterns.

**CHEESE:** The cheese market is steadier. Some traders believe cash prices are starting to break out of their recent trading range. Current offerings are at least adequate for most varieties. As a hedge against higher prices, some buyers continue to inventory product for later use. Summer heat and humidity are impacting milk and cheese production. Cheese yields are also slipping seasonally. During the week of June 5 - 9, CCC made no cheese purchases under the price support program, the first in 10 weeks (late March). Estimated cheddar cheese output during the first third of 2000 (adjusted for February 29) totaled 981.0 million pounds, up 18.5 million pounds (2.0%). Total cheese production combines to an estimated 2.713 billion pounds, 119.7 million pounds (4.6%) over the same period in 1999.

**FLUID MILK:** Milk production remains quite strong across the country. From Florida, through the Gulf Coastal states, New Mexico, and Arizona, very warm temperatures are starting to negatively impact milk output. In most of these areas, production is dropping along with fat test and solids in the milk. Elsewhere in the country, where temperatures are warmer than usual for this early in June, milk receipts are also lower, but milk handlers anticipate the declines to recover some once current higher temperatures moderate. Milk volumes for manufacturing across the country vary as bottling schedules decline as schools recess for the summer months. In most instances, loss of school milk demand is not absorbed by other bottling needs during summer months. Manufacturing facilities are absorbing the additional volumes of available milk and have sufficient capacity to handle the milk. Fluid cream markets are firm. Supplies were tighter earlier in the week, but longer at midweek. Ice cream production continues to absorb a large portion of available cream. Overall cream prices are higher due to higher butter prices, although pricing multiples are often lower.

**DRY PRODUCTS:** Most all dry dairy product markets are steady to firmer. NDM markets are generally steady. Recent firmness in world skim milk powder prices and lack of supply has caught the attention of some U.S. exporters and producers. Production levels at most plants are seasonally active, although some producers are indicating that milk supplies are lighter than expected for this time of year and demand for condensed skim is holding up very well. Dry buttermilk markets are steady to firm. Trading activity remains light as product availability is limited. Drying schedules are trending lower as churning activity declines and sales of condensed buttermilk increase. Whey powder prices are holding steady to slightly higher. Demand for whey is fair and best into animal feed channels. Stocks vary, some producers indicate that they are sold out while others have powder available for immediate clearance.

**CCC:** Net purchases reported for the week of June 5 - 9 totaled 13,739,221 pounds of nonfortified NDM. From this total, 12,994,066 pounds were from the West and 745,155 pounds were from the Midwest.

**APRIL DAIRY PRODUCTS HIGHLIGHTS:** Butter production was 116.9 million pounds in April, 2.3% heavier than last April, but 4.5% lower than March 2000. American type cheese production totaled 309.3 million pounds, 2.3% less than April 1999 and 3.4% lighter than last month. Total cheese output (excluding cottage cheese) was 685.4 million pounds, 2.3% heavier than last April, but 4.5% lower than last month. NDM production, for human food, totaled 146.8 million pounds, 10.1% heavier than April 1999 and 5.2% above last month. Dry whey production, for human food, was 92.8 million pounds, 0.8% above last April, but 8.9% lighter than March 2000. Hard ice cream output totaled 78.7 million gallons, 1.6% ahead of last April, but 3.0% lighter than last month.

**INTERNATIONAL:** Dairy product stocks on an international basis are limited and prices are higher to sharply higher. In the Oceania region, the most recent milk production season has just come to a close, thus sales are being filled with stocks from inventories. For the most part, stocks are fully committed to orders already placed, thus no additional volumes of dairy products are available for spot buyer interest. In Europe, the milk production season is basically plateauing earlier than usual at seasonally high levels. Reports indicate that this year's flush is not reaching levels of previous years. Some regions are indicating that milk receipts are already slightly lower. Demand for cheese has been and continues to be strong for European produced cheeses, thus milk volumes are being directed toward this end. A strong flow of milk toward cheese is limiting milk to other manufactured dairy products, thus stocks are not as available as typical for this time of the year. In many instances, skim and whole milk powder producers have committed production into the future with many indicating that they are fully committed through the end of the current milk production season. Limited stocks in Europe have prices at or nearing levels not seen since 1996.

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**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY JUNE 5	TUESDAY JUNE 6	WEDNESDAY JUNE 7	THURSDAY JUNE 8	FRIDAY JUNE 9	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.1300 (+.0050)	\$1.1325 (+.0025)	\$1.1275 (-.0050)	\$1.1300 (+.0025)	\$1.1400 (+.0100)	(+.0150)	\$1.1320 (+.0189)
40# BLOCKS	\$1.1250 (N.C.)	\$1.1250 (N.C.)	\$1.1300 (+.0050)	\$1.1300 (N.C.)	\$1.1350 (+.0050)	(+.0100)	\$1.1290 (+.0177)
NONFAT DRY MILK							
EXTRA GRADE	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
GRADE A	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
BUTTER							
GRADE AA	\$1.3425 (+.0175)	----	\$1.3450 (+.0025)	----	\$1.3300 (-.0150)	(+.0050)	\$1.3392 (+.0117)

\*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at [WWW.AMS.USDA.GOV/MARKETNEWS.HTM](http://WWW.AMS.USDA.GOV/MARKETNEWS.HTM)

## CHICAGO MERCANTILE EXCHANGE

MONDAY, JUNE 5, 2000

CHEESE -- SALES: 4 CARS BARRELS: 1 @ \$1.1300, 1 @ \$1.1275, 1 @ \$1.1225, 1 @ \$1.1300; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$1.3400, 1 @ \$1.3475; BIDS UNFILLED: 9 CARS GRADE AA: 1 @ \$1.3325, 1 @ \$1.3300, 1 @ \$1.3150, 1 @ \$1.3125, 1 @ \$1.3100, 1 @ \$1.3075, 1 @ \$1.3050, 1 @ \$1.3025, 1 @ \$1.3000; OFFERS UNCOVERED: 4 CARS GRADE AA: 1 @ \$1.3425, 1 @ \$1.3500, 1 @ \$1.3850, 1 @ \$1.5000

TUESDAY, JUNE 6, 2000

CHEESE -- SALES: 4 CARS BARRELS: 1 @ \$1.1300, 1 @ \$1.1250, 1 @ \$1.1300, 1 @ \$1.1325; 2 CARS 40# BLOCKS: 1 @ \$1.1350, 1 @ \$1.1250; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 3 CARS 40# BLOCKS: 1 @ \$1.1350, 1 @ \$1.1450, 1 @ \$1.1500  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, JUNE 7, 2000

CHEESE -- SALES: 4 CARS BARRELS: 2 @ \$1.1300, 1 @ \$1.1250, 1 @ \$1.1175; 2 CARS 40# BLOCKS: 1 @ \$1.1200, 1 @ \$1.1300; BIDS UNFILLED: 1 CAR BARRELS @ \$1.1275; 1 CAR 40# BLOCKS @ \$1.1000; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.1350  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 5 CARS GRADE AA: 1 @ \$1.3500, 1 @ \$1.3550, 1 @ \$1.3600, 1 @ \$1.3575, 1 @ \$1.3450; BIDS UNFILLED: 6 CARS GRADE AA: 1 @ \$1.3375, 5 @ \$1.3350; OFFERS UNCOVERED: 13 CARS GRADE AA: 2 @ \$1.3525, 1 @ \$1.3550, 1 @ \$1.3575, 2 @ \$1.3600, 1 @ \$1.3650, 1 @ \$1.3675, 3 @ \$1.3700, 1 @ \$1.3900, 1 @ \$1.4000

THURSDAY, JUNE 8, 2000

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$1.1225, 1 @ \$1.1250, 1 @ \$1.1325; 1 CAR 40# BLOCKS @ \$1.1300; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1300; 7 CARS 40# BLOCKS: 1 @ \$1.1300, 1 @ \$1.1400, 1 @ \$1.1500, 1 @ \$1.1600, 1 @ \$1.1700, 1 @ \$1.1800, 1 @ \$1.2500  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, JUNE 9, 2000

CHEESE -- SALES: 4 CARS BARRELS: 1 @ \$1.1400, 1 @ \$1.1300, 1 @ \$1.1400, 1 @ \$1.1300; 1 CAR 40# BLOCKS @ \$1.1400; BIDS UNFILLED: 1 CAR BARRELS @ \$1.1400; 1 CAR 40# BLOCKS @ \$1.1350; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1500; 4 CARS 40# BLOCKS: 1 @ \$1.1350, 2 @ \$1.1500, 1 @ \$1.1800  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 6 CARS GRADE AA: 1 @ \$1.3325, 1 @ \$1.3275, 1 @ \$1.3325, 1 @ \$1.3300, 1 @ \$1.3250, 1 @ \$1.3300; BIDS UNFILLED: 2 CARS GRADE AA: 1 @ \$1.3175, 1 @ \$1.3000; OFFERS UNCOVERED: 17 CARS GRADE AA: 1 @ \$1.3300, 2 @ \$1.3350, 1 @ \$1.3375, 1 @ \$1.3425, 1 @ \$1.3450, 1 @ \$1.3475, 3 @ \$1.3500, 1 @ \$1.3525, 1 @ \$1.3600, 1 @ \$1.3700, 1 @ \$1.3800, 1 @ \$1.3900, 2 @ \$1.4000

## BUTTER MARKETS

## APRIL BUTTER PRODUCTION

During April 2000, butter production in the United States totaled 116.9 million pounds, 2.3% more than April 1999, but 4.5% less than March 2000. Following are percentage changes from April 1999 for various states: CA +0.6%, MN +12.8, NY -7.1%, PA +33.4%, WA +28.3%, and WI -10.4%.

## NORTHEAST

Prices at the CME fell slightly last week only to rebound in Monday's (6/5) trading. The market tone remains unsettled. Churning activity is moderate, but excess cream volumes have been tighter in the past few weeks. With more schools closing for the summer, cream availability from standardization has decreased. Demand for butter ranges from generally fair to good. Butter stocks are more than adequate to cover current sales. Retail sales are fair. Food service orders are settling into summer patterns. During April, U.S. butter production totaled 116.9 million pounds, 2.3% more than last April, but 4.5% less than March 2000. Output in New York was down 7.1% from April 1999 while Pennsylvania's output jumped 33.4% from a year ago. The North Atlantic region saw butter output rise 28.2% from last April. Bulk demand is about steady and spot sales remain in the range of 3-5 cents over the CME price/average.

## CENTRAL

Butter markets remain unsettled. The cash price continues to fluctuate slightly higher and lower within a narrow range. Producers and handlers are still somewhat puzzled at the current price in relation to reported inventory levels. Some

producers and handlers are comfortable with current stocks and projected production, while others are not. Those that feel that stocks are lighter than desired are looking at all possible sources to secure additional butter stocks for use later this summer and fall. Reports indicate that some imported unsalted butter has been offered to handlers at prices in the low to mid \$1.20 per pound range on the East Coast. Some handlers feel that butter stocks might be light enough that additional volumes of butter will need to be imported into the U.S. to fill potential demand. Current domestic demand is quite active. Food service and retail demand is reported as good. Some scattered retail feature activity is occurring at the retail level in conjunction with "June Dairy Month."

## WEST

The mixed activity at the CME has some contacts confused about what direction the market is going. They do feel that there is a firm undertone to the market. Print sales are good and some bulk continues to leave the region for other areas of the country. Somewhat less cream is available for churning because of the good call for the butterfat from other users, mainly ice cream plants. Hot weather in the Southwest and up into Utah is causing the tests on incoming milk receipts to decline at a faster pace leading to less cream being available. Butter production in April in the Western region is up 7.6% from last year. CME butter inventories for the week ending June 3 declined a bit more than one million pounds. This is about the same time that butter stocks began declining last year. Stocks currently are 9.3% less than last year. Current prices for bulk butter range from 4 cents under to 2 cents under the market based on the CME with various time frames and averages involved.

**NASS DAIRY PRODUCT PRICES**  
 U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 39% MOISTURE			
JUNE 3	1.0882 7,497,994	1.0615 8,863,911	1.0072 18,191,591	1.2845 3,062,261	0.1775 4,749,015

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

## CHEESE MARKETS

## NORTHEAST

Prices for process and natural items are generally higher and Swiss is unchanged. The market tone is firm, but unsettled. Contacts wonder why prices have been moving higher during the "spring flush" when milk supplies are supposed to be heavy. Eastern cheese makers report that milk volumes are not as heavy as years past, but most are operating seven days a week. Cheese supplies are more than ample for the current, fair demand. April, total cheese output was 685.4 million pounds, 2.3% more than April 1999, but 4.5% less than March 2000. The North Atlantic region saw total cheese output increase 1.2% from a year ago. The Atlantic (no break down for north or south) region had mozzarella output of 51.0 million pounds, 7.6% higher than a year ago and cheddar production, at 15.2 million pounds is up 3.9% from last April.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.1500-1.6175
Cheddar Single Daisies	:	1.1075-1.5675
Cheddar 40# Block	:	1.2525-1.4275
Process 5# Loaf	:	1.3225-1.4950
Process 5# Sliced	:	1.3425-1.6000
Muenster	:	1.3100-1.6125
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

## MIDWEST

The cheese market is unsettled, not as weak as recent weeks, but also not as firm as recent price increases may suggest. Process demand remains seasonally strong. Current barrels are in reasonable balance with demand. Supplies of more functional processing solids are generally tighter. Natural interest is fairly steady with most recent weeks. June Dairy Month promotions are stimulating extra interest in scattered markets. Swiss movement remains steady. Swiss prices are little changed as manufacturing milk and/or block prices are about steady. Swiss producers are still trying to build inventory for anticipated needs later in the year. Cheese yields are flat to lower seasonally. Total cheese output during April in selected Midwestern states compared to April 1999 are: Wisconsin 176.9 million pounds, down 1.67 million pounds (6.1%); Minnesota 58.9 million pounds, off 736,000 pounds (1.2%); and Iowa 22.6 million pounds, down 102,000 pounds (0.5%).

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.2925-1.4500
Brick And/Or Muenster 5#	:	1.4100-1.6725
Cheddar 40# Block	:	1.3900-2.1150
Monterey Jack 10#	:	1.5900-2.1150
Blue 5#	:	1.8075-1.9800
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4500-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.0000-2.6850

## MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),  
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	JUNE 5 - 9, 2000
BARRELS*	:	\$1.1000 - 1.1425 (NOMINAL)
	:	(\$ .0350) (.0250)
40# BLOCKS	:	\$1.1125 - 1.1525 (NOMINAL)
	:	(\$ .0225) (.0125)

( ) Change from previous week. \* If steel, barrel returned.

## WEST

Both process and natural cheese prices increased due to firming at the CME during the holiday week. Contacts are somewhat surprised at the magnitude of the increases at this time of the year. They do note the light trading activity, but also the number of up sessions. Buyers seem to be somewhat skeptical about whether the increases will hold, but some are making extra purchases just in case. Some additional interest in cheese for the DEIP program is noted. U.S. Swiss cheese production in April totals 16.3 million pounds, down 13.3% from last year. American type cheese production, at 309.3 million pounds, is down 2.3% from April 1999. American cheese output for selected Western states compared to last year is as follows: California down 1.6%, Idaho down 1.1%, Oregon up 5.4%, Utah down 18.1%, and Washington up 4.5%.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.2650-1.5250
Cheddar 40# Block	:	1.2350-1.3750
Cheddar 10# Cuts	:	1.4150-1.6350
Monterey Jack 10#	:	1.4250-1.5850
Grade A Swiss Cuts 6 - 9#	:	2.2000-2.4500

## FOREIGN

Prices for domestically produced cheese increased while no changes were reported on the imported side. The market tone is settling into its "summer season" which typically brings slower demand for table cheeses. Stocks of imported cheeses range from light to adequate. Demand is slow to fair.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

		NEW YORK	
VARIETY	:	IMPORTED	: DOMESTIC
Roquefort	:	TFEWR	: -0-
Blue	:	2.6400-3.1400	: 1.4525-2.9475*
Gorgonzola	:	3.2400-5.9400	: 2.0075-2.4900*
Parmesan (Italy)	:	TFEWR	: 2.8675-3.3700*
Romano (Italy)	:	2.1000-2.5400	: -0-
Provolone (Italy)	:	3.4400-5.5000	: 1.4675-1.7475*
Romano (Cows Milk)	:	-0-	: 2.6425-4.8175*
Sardo Romano (Argentina)	:	2.6500-3.2900	: -0-
Reggianito (Argentina)	:	2.6500-3.2900	: -0-
Jarlsberg-(Brand)	:	2.7400-3.3100	: -0-
Swiss Cuts Switzerland	:	-0-	: 2.3500-2.5500
Swiss Cuts Finnish	:	2.5900-2.8500	: -0-
Swiss Cuts Austrian	:	2.2500-2.7500	: -0-
Edam	:		:
2 Pound	:	TFEWR	: -0-
4 Pound	:	2.1900-3.0900	: -0-
Gouda, Large	:	2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:		:
10 Ounce	:	27.8000-31.7000	: -0-

\* = Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

		BUTTER : CHEESE	
06/05/00	28,036	:	129,702
06/01/00	27,134	:	129,671
CHANGE	902	:	31
% CHANGE	3	:	N.C.

Based on the historical relationship of the preliminary U.S. Cold Storage report of April 30 and the selected centers storage report, the expected U.S. holdings as of June 1 are:

Butter 117 million pounds plus or minus 2.63 percent  
Cheese 545 million pounds plus or minus 2.83 percent

## FLUID MILK AND CREAM

## E A S T

The following are the May Class and component prices under Federal Orders: Class II \$12.63 (up \$.53), Class III \$9.37 (down \$.04), and Class IV \$11.91 (up \$.53). These prices are the same for all orders. Product price averages used in computing Class prices are: butter \$1.1680, nonfat dry milk \$1.0071, cheese \$1.1022, and dry whey \$0.1760. The Class II butterfat price is \$1.2924 and the Class III/IV butterfat price is \$1.2854. For informational purposes the May 1999 BFP (Class III) was \$11.26. Milk production is steady to lower in most parts of the East. The Northeast has been getting a lot of rain and cool weather which has held output relatively steady. However, as pastures dry out and more cows get on green grass, the milk flow may get a little boost. Hot weather continues to plague much of the Deep South and it is starting to take its toll on the cows. Milk production is falling in most of the Gulf Coast states. Despite the hot, dry conditions, Florida contacts report little drop off in milk output. This week they have 114 loads of milk scheduled to be moved out of state. These loads are about equally split between Class I and manufacturing. This week's total compares to 130 loads last week and 56 a year ago. Manufacturing plants' operating schedules are lighter than one might expect for early June. Most operations have capacity to take more surplus milk if it were available. Bottled milk sales are slower as more schools close for the summer. The condensed skim market is little changed. Class II milk prices did increase, but with NDM prices holding around the \$1.02-1.03 mark, wet solids buyers won't pay much more for condensed skim. The fluid cream market is firm. Supplies are tight early in the week and a little longer after midweek. Demand is fair to good, but with prices moving higher, some price resistance is evident. This week, spot prices are mostly higher as butter prices did move higher last week. However, multiples used to determine cream prices are steady to lower this week. Also, a few sales are based on the current butter price which sets the high end of the Northeast range. Ice cream output is heavy as demand is improving seasonally. Cream cheese production is holding steady, but cream prices are starting to affect spot cream purchases. Churning activity is moderate.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.6727-1.9000
DELIVERED EQUIVALENT ATLANTA	-	1.7258-1.8320 M 1.7656-1.8054
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.7523-1.8187

## PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .9900-1.1050
NORTHEAST- CLASS III - SPOT PRICES	- .8000-.9500

## M I D W E S T

## WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
JUNE 2 - 8, 2000	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1999	0

Class I demand is surprisingly strong though as usual, erratic. Interest was sluggish early in the week but picked up by midweek. Some retail promotional activity is stimulating additional sales in some chains, along with the usual stronger first of the month sales. The closing of schools for the summer hiatus has yet to noticeably impact bottlers in Minnesota and Michigan, but is more noticeable in Wisconsin and other locations where many have been closed a week or two. About 29 loads of Wisconsin milk are being shipped to Missouri, often to fill in where milk was moved from other manufacturing plants into bottlers and is pooled under that order. Spot milk prices have started to firm with manufacturing milk prices rebounding from a weekend low of around \$.30 over class to \$1.25 over by midweek. Cream demand has picked up as temperatures heat up, generally from ice cream manufacturers. Reported cream multiples are little changed though prices are higher due to the average cash

butter prices at the CME increasing for the 6th straight week (since the week ending April 21). Milk intakes are little changed, a few plant operators are seeing some small increases in some northern locations, but further south and into Illinois and Indiana, receipts are steady to generally lower. Further south, cooler temperatures (80's) continue to impact milk receipts. For many plant operators, the feared spring flush was not as bad as earlier expected and occurred earlier than normal. In Wisconsin, a few plant operators are already reporting a spike in somatic cell counts due to the wet conditions. Fat and protein tests are drifting lower seasonally. Insect populations are expected to show up in increasing numbers, especially in areas where recent rains caused flooding and/or wet fields. Progress on first cutting hay continues, but wet fields continue to hamper the harvest.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	JUNE 1 - 7	PREVIOUS YEAR
SLAUGHTER COWS	\$ 38.00- 43.50	\$ 33.50- 43.00
REPLACEMENT HEIFER CALVES	\$300.00-350.00	\$210.00-265.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	JUNE 1 - 7	PREVIOUS YEAR
SLAUGHTER COWS	\$ 37.00- 47.25	\$ 33.50- 43.00

## W E S T

The May 4a price (butter/powder) in California is \$11.94, up 55 cents from April but 39 cents lower than last year. The May 4b (cheese) is \$9.17, down 10 cents from April and \$1.51 lower than last year. The 4b price is the lowest since the predecessor Class 4 price was \$8.91 in March 1978. Conditions remain highly favorable for milk production across California. More moderate, seasonal temperatures are creating opportunities for milk volumes to recover from recent hot conditions. Some locations are still seeing solid's levels lower than desired. Class 1 usage is declining in areas where schools are closing. Contacts are stating that most traditional schools in the state will close in the next week or two. Commercial sales do not make up the difference in lost consumption. Milk volumes are being handled efficiently within the state. Competition for refrigerated trucks is heavy within the state as fruits and vegetables are being shipped. Cream prices are higher with multiple ranging from 118 to 126. Demand is higher from ice cream producers in and out of state. There are reports that tankers to ship cream around are becoming harder to find. Churning is often lower due to these cream sales and lower fat content of incoming milk. Hot conditions prevail over the state of Arizona. Milk production continues to drop and declines are noted in fat and solids of milk. Problems at a plant in the state early in the week are causing milk diversions. Milk production is declining seasonally in New Mexico. Milk is being handled fairly efficiently at a local level. Plants are running at heavy levels. Cheese yields are lower due to declines in fat and solids of milk. Second cutting of hay is progressing across most of the state. Weather conditions remain hot and dry. Seasonal rains have hit across the southeast portion of the state. Showers and cooler temperatures are common over much of the Pacific Northwest. Most contacts are stating that this is continuing to mean more milk production. Heifer prices at one large monthly sale declined slightly last week, generally by \$50-75. The volume was up substantially over last year. First cutting hay prices continue to show strength, partially because of very strong export interest. Culling rates are picking up in many herds due to low milk prices and generally higher cull prices. Cream sales to outlets other than the churn remain strong in the region. Early season heat has begun to add stress to the milking herds in the northern Mountain States region. Record heat for this early in the season was recorded in many areas of the region. Temperatures in the upper 90's were common early in the week. Some areas in the region are putting on irrigation restrictions much earlier than normal. Rainfall has been absent from much of the region for months. Milk producers are concerned by temperatures this warm this early. They hope it does not mean continued records for the entire summer. Many reports of first cutting hay nearing completion are noted. Some hay growers are noting that conditions are so hot and dry that it is difficult to find a time during the day to bale hay without losing much of the feed value.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 06/08/00 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL**

Prices are unchanged to higher on a mostly steady market. Demand for Grade A product is strong. Some buyers of Extra Grade are adding loads onto regular shipments. Movement into government programs is steady to lower. Production is unchanged to higher, although less than anticipated for this time of year. High heat premiums are moving higher at lower production volumes. Inventories are generally in balance on high and low heat. Production of human food, nonfat dry milk during April 2000 totaled 146.8 million pounds, up 10.1% from April 1999 and 5.2% above March 2000. Month ending stocks, at 195.6 million pounds, are 38.5% above a year ago and 16.5% higher than a month ago.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: .9900 - 1.0200 MOSTLY: 1.0000 - 1.0100

**DRY BUTTERMILK - CENTRAL**

Prices are higher on a firm market. Trading remains light as product availability is very limited. Condensed is clearing well into ice cream and encouraging reduced schedules on dry product. Some aged product is being traded below the range. Offers to Midwest buyers are heavy from Western suppliers. Off grade product is available and meeting some buyer resistance at the higher prices. Dry buttermilk production during April 2000 totaled 4.8 million pounds, down 5.5% from April 1999 but 1.1% higher than March 2000. Month ending stocks, at 4.9 million pounds, are 33.0% below last year and 24.0% lower than last month.

BUTTERMILK: .8600 - .8950

**DRY WHEY - CENTRAL**

Prices are mixed on a steady to firm market. Some block load shipments were cleared at the lower end of the range. However, most of the trade is reporting tighter supplies and higher prices. Some buyers picked up extra loads with the price increase last week. Demand is fair and best into feed facilities. Condensed supplies are heavy and often difficult to clear at some locations. Production of human food, dry whey during April 2000 totaled 92.8 million pounds, 0.8% more than April 1999 but 8.9% below March 2000. Month ending stocks, at 43.8 million pounds, are 22.2% below a year ago but 2.7% higher than March 2000.

NONHYGROSCOPIC: .1675 - .2050 MOSTLY: .1750 - .1850

**ANIMAL FEED WHEY - CENTRAL**

Prices are higher on milk replacer and delactose and unchanged on roller ground. Producers are offering milk replacer product at higher prices due to increases in the Extra Grade market. Demand is fair and supplies are in balance. Roller ground interest is increasing, yet prices are not moving higher with demand or changes in the Extra Grade market. Supplies of delactose are in balance to tight. Demand is higher due to shortages in WPC and increased utilization in process cheese. Production of animal feed dry whey during April 2000 totaled 7.3 million pounds, 20.4% higher than a year ago but 4.6% less than March 2000. Month ending stocks, at 7.7 million pounds, are 23.0% lower than April 1999 but 10.9% above last month.

MILK REPLACER: .1400 - .1675

ROLLER GROUND: .1600 - .1800

DELACTOSE (Min. 20% protein): .3400 - .3600

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged to lower on a steady to weak market. Supplies are mixed with some plants running long and others short of contracted needs. Offerings are heavy to traders and end users. Spot trades on 80-100 mesh are generally within the current mostly price range. European product remains competitive with US supplies for Asian demand. Feed buyers are bidding lower and meeting some resistance from producers. Inquiries are being reported from candy facilities. Lactose production during April 2000 totaled 42.5 million pounds, up 1.3% from April 1999 but 1.7% lower than March 2000. Month ending stocks, at 24.5 million pounds, are 7.0% lower than a year ago and 0.2% less than last month. Production totals for selected regions with changes from 1999 include: East North Central, 9.4 million pounds, +0.8%; West North Central, 15.6 million pounds, +4.4%; and West, 16.9 million pounds, +7.1%.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1800 - .2550 MOSTLY: .1900 - .2000

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are higher on a firm market. While some premiums offered are lower, product remains tight and buyers are paying higher prices. Some end users are working on less than adequate supplies instead of buying in anticipation of a market peak. Producers remain short of needs with some plants unable to satisfy current commitments for at least the next 2 months. Demand is good from export markets and domestic food accounts. Increases in world NDM prices may encourage WPC utilization. Off grade product is available and trading at the average to 10 cents lower depending upon product quality. Production of human food WPC during April 2000 totaled 29.6 million pounds, up 12.6% from April 1999 but 2.1% lower than March 2000. Manufacturers' end-of-month stocks totaled 15.8 million pounds, 8.4% lower than a year ago but 5.2% above last month. Production totals for selected states with changes from 1999 include: California, 8.6 million pounds, +6.6%; Minnesota, 4.8 million pounds, +9.6%; and Wisconsin, 4.2 million pounds, -4.0%.

EXTRA GRADE 34% PROTEIN: .7075 - .7500 MOSTLY: .7075 - .7375

**NONFAT DRY MILK - WEST**

Slight increases are noted at the top end of both price series, reflecting producers asking and receiving higher prices. Contacts are watching world SMP prices increase with optimistic goals of capitalizing on the trend, although world prices have a ways to go. The market tone for low heat powder remains weak, while conditions are better for high heat. Strong production levels of low heat, coupled with high inventory levels, continue to plague the market. Strong sales continue to the CCC under the price support program. Commercial interest is seldom better than light. Medium heat demand is limited to a very few DEIP orders begin filled. High heat powder is receiving more seasonal demand. During the week of May 29 - June 2, CCC adjusted purchases totaled 15.4 million pounds of NDM with 12.6 million from the West. U.S. NDM production in April totaled 146.8 million pounds, up 10.1% from last year and 5.2% more than last month. April production in California totaled 62.4 million pounds, up 3.0% from last year, and Washington output totaled 16.3 million pounds, up 8.5% from a year ago. Stocks at the end of April were reported at 195.6 million pounds, up 38.5% from last year and 16.5% higher than last month.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9900 - 1.0200 MOSTLY: 1.0000 - 1.0100

HIGH HEAT: 1.0200 - 1.0650

**DRY BUTTERMILK - WEST**

Prices are higher, but the market tone is unsettled. Pricing is approaching nominal levels. Higher prices are doing little to stimulate demand. Buyer resistance is building with end users looking for and buying substitutes. Production levels are trending lower as butter churning declines and sales of condensed buttermilk increase. Producers' stock levels are mainly light. U.S. buttermilk powder production in April totaled 4.8 million pounds, down 5.5% from last year but 1.1% higher than March. Stocks at the end of April were reported at 4.9 million pounds, down 33.0% from a year earlier and 24.0% below March.

BUTTERMILK: .7800 - .8700 MOSTLY: .8200 - .8400

**DRY WHEY - WEST**

Western whey prices are holding steady. Contacts note that there might be a slightly firmer trend developing. This trend may be tempered by comments that export sales are normally slow at this time of the year. Western traders are noting with interest the strength for whey offerings out of Europe. Prices there are now topping 27 cents and have increased dramatically over the past few weeks. Contacts continue to speculate how the upcoming Japanese whey tender will come out and where the powder will come from. U.S. whey stocks at the end of April total 43.8 million pounds, down 22.2% from last year.

NONHYGROSCOPIC: .1675 - .1875 MOSTLY: .1700 - .1750

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

WEEK ENDING	PRICE	POUNDS
June 2	\$1.0083	11,426,189
May 26	\$1.0076	13,897,908

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

**NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS**

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

**NONFAT DRY MILK - NORTHEAST AND SOUTHEAST**

Prices are mostly steady and the market tone is unchanged. Production levels are off at most locations as milk supplies are slipping and demand for condensed skim is holding up very well. This lull in dryer-time is giving some operations an opportunity to make more high heat powder. Other operations are drying only on weekends, if at all. Producer stocks are lighter than normal for early June, but sufficient to cover current orders. It seems like Eastern producers are entering the summer with considerably lighter inventories than past years. However, there appears to be little concern about NDM availability throughout the summer and fall. Although no Eastern NDM was offered to CCC this week, CCC purchases are heavy. Firmness in the European NDM market has caught the attention of some U.S. exporters and producers. The announcement of the new DEIP is much anticipated. However, given the recent EU prices advances, it is not out of the realm of possibility that the world NDM prices could approach or nearly equal the U.S. prices. Should this happen, it would create unique opportunities for U.S. powder sales. Production of human food, nonfat dry milk during April 2000 totaled 146.8 million pounds, up 10.1% from April 1999 and 5.2% above March 2000. Month ending stocks, at 195.6 million pounds, are 38.5% above a year ago and 16.5% more than a month ago.

Includes EXTRA GRADE AND GRADE A

**F.O.B. NORTHEAST:**

LOW/MEDIUM HEAT: 1.0100 - 1.0300 MOSTLY: 1.0100 - 1.0250

HIGH HEAT: 1.0650 - 1.0800 MOSTLY: 1.0650 - 1.0700

**DELVD SOUTHEAST:**

ALL HEATS: 1.0300 - 1.1100

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are steady to slightly lower and the Northeast range remains nominal. The market tone is firm, but price resistance is evident. At this time, potential spot buyers seem to balk at prices over 90-cents. Production of dry buttermilk is light to moderate and producer stocks are closely balanced. Those plants that do have powder do not have too much and are not concerned about holding it with some confidence. Demand for condensed buttermilk is seasonally good. Dry buttermilk production during April 2000 totaled 4.8 million pounds, down 5.5% from April 1999 but 1.1% more than March 2000. Month ending stocks, at 4.9 million pounds, are 33.0% less than last April and 24.0% below a month ago.

F.O.B. NORTHEAST: .8800 - .9200

DELVD SOUTHEAST: .8500 - .9000

**DRY WHOLE MILK - NATIONAL**

Prices are steady to higher following the change in milk prices and the increases on butter at the CME. The market tone is firmer. Recent jumps in world demand for dry whole milk have boosted interest in U.S. powder. During the period of June 1-5, FAS accepted bids totaling 2,428 MT under DEIP. These are the first significant volumes accepted since early May. Domestic demand is slow to fair. Producer stocks are closely balanced and most have little to offer for immediate shipment. Dry whole milk production during April 2000 totaled 12.3 million pounds, up 38.4% from April 1999 and 4.2% above March 2000. Month ending stocks, at 8.2 million pounds, are 43.2% above a year ago and 55.3% more than last month.

F.O.B. PRODUCING PLANT: 1.2050 - 1.3100

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are often higher as the market shows more firmness. Eastern production is about steady, but surplus milk supplies are a little lighter than expected. However, more milk will be available when schools in the Northeast recess for the summer. Demand for dry whey is fairly good at some plants; slow to fair at others. Some operations are sold out and taking orders for delivery in July. Others, without certain approvals, seem to have some difficulty moving product and have more on hand at this time. Export demand is fairly good and clearing additional volumes. Domestic demand ranges from steady to improved as buyers come into the market for replacement volumes. Production of human food, dry whey during April 2000 totaled 92.8 million pounds, 0.8% more than April 1999 but 8.9% below March 2000. Month ending stocks, at 43.8 million pounds, are 22.2% below last year but 2.7% more than a month ago. Production of animal feed, dry whey during April totaled 7.3 million pounds, 20.4% more than April 1999, but 4.6% less than March 2000.

F.O.B. NORTHEAST: EXTRA GRADE .1825 - .2100

USPH GRADE A .1850 - .1950

DELVD SOUTHEAST: .2050 - .2200

**EVAPORATED MILK - NATIONAL**

Prices are mostly unchanged, but the market remains highly competitive. Buyers are generally limiting purchases to replacement volumes, but they shop for the best deals. Production levels are steady and plant stocks are fully adequate. Canned evaporated milk production during April 2000 totaled 27.9 million pounds, 30.0% less than April 1999 and 28.9% less than March 2000. Month ending stocks, at 38.8 million pounds, are 6.5% more than a year ago and 1.7% above last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$20.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

**CASEIN - NATIONAL**

Casein markets and prices remain firm. Demand for European skim and whole milk powder is very strong, supplies are limited, and prices are increasing, thus many U.S. buyers question casein availability during upcoming months. Some European casein producers indicate to their buyers that they will have sufficient casein to meet needs, although prices will probably be higher. At the current time, U.S. buyers continue to report tight casein supplies. In many instances, shipments are being received, although delivery time lines are being extended.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.0500 - 2.2000

ACID: 2.0700 - 2.2000

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 1999 THROUGH JUNE 2, 2000

WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 101,383 MT (228,876,284 LBS)  
Program-year and preallocated volumes are filled.

WHOLE MILK POWDER -- 12,877 MT (28,388,634 LBS)  
CHANGE -- 1,500 MT (3,306,900 LBS)

CHEESE -- 3,538 MT (7,799,875 LBS)  
CHANGE -- 700 MT (1,543,220 LBS)

BUTTERFAT -- 5,298 MT (11,679,970 LBS)

Allocations for the DEIP year beginning July 1, 1999, are: Nonfat dry milk - 76,207 MT; Whole Milk Powder - 2,518 MT; Cheese - 3,190 MT; Butterfat - 25,475 MT.

These DEIP allocations are in addition to balances still available from quantities announced on May 13, 1999; 25,177 MT of Nonfat Dry Milk (to be filled in roughly equal quarterly amounts during the GATT-year beginning July 1, 1999), 7,500 MT of dry whole milk, and 1,270 MT of cheese. March 31, 2000: USDA announced that additional 8,232 MT of dry whole milk was made available under DEIP until June 30, 2000.

## NEW YORK BOARD OF TRADE AND CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	05/24	05/25	05/26	05/29	05/30	05/31	06/01	06/02	06/05	06/06
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## NYBOT - MILK INDEX -- Dollars per cwt.

MAY 00	9.37 (52) 0	9.38 (52) 0	9.38 (52) 0	NO TRADING	9.38 (52) 0	9.38 (52) 0	9.38 (52) 0			
JUN 00	9.95 (61) 0	9.95 (61) 0	9.75 (61) 0		9.93 (61) 0	9.90 (61) 0	9.90 (61) 0	9.90 (61) 0	9.90 (61) 0	9.73 (60) 1
JUL 00	11.48 (68) 1	11.48 (69) 1	11.48 (70) 1		11.45 (70) 2	11.61 (70) 2	11.55 (71) 0	11.55 (72) 1	11.55 (72) 1	11.40 (75) 3
AUG 00	12.13 (58) 1	12.11 (58) 0	12.11 (58) 0		12.05 (58) 0	12.05 (58) 0	12.05 (58) 0	12.05 (60) 2	12.05 (60) 0	11.93 (60) 0
SEP 00	12.48 (66) 1	12.48 (66) 0	12.47 (66) 0		12.48 (66) 0	12.48 (66) 0	12.48 (66) 0	12.48 (68) 2	12.48 (68) 0	12.48 (68) 0
OCT 00	12.48 (40) 2	12.48 (40) 0	12.48 (41) 1		12.48 (41) 0	12.48 (41) 0	12.48 (41) 0	12.48 (42) 1	12.48 (42) 0	12.43 (42) 0
NOV 00	12.08 (28) 2	12.08 (28) 0	12.07 (28) 0		12.08 (28) 0	12.08 (28) 0	12.05 (28) 0	12.03 (29) 1	11.98 (29) 0	11.98 (29) 0
DEC 00	11.85 (13) 1	11.85 (14) 0	11.85 (14) 0		11.88 (14) 0	11.88 (14) 0	11.88 (14) 0	11.85 (15) 1	11.85 (15) 0	11.73 (15) 0
JAN 01	11.00 (4) 0	11.05 (4) 0	11.05 (3) 0		11.05 (3) 0	11.05 (3) 0	11.20 (3) 0	11.20 (3) 0	11.20 (3) 0	11.18 (3) 0
FEB 01	10.88 (0) 0	10.90 (0) 0	10.85 (0) 0		10.85 (0) 0	10.85 (0) 0	11.05 (0) 0	11.10 (0) 0	11.10 (0) 0	11.10 (0) 0
MAR 01	10.75 (0) 0	10.75 (0) 0	10.75 (0) 0		10.75 (0) 0	10.90 (0) 0	10.95 (0) 0	11.00 (0) 0	11.00 (0) 0	11.00 (0) 0

## CME - BUTTER -- Cents per pound

JUL 00	127.10 (403) 17	129.00 (406) 42	134.00 (405) 2	NO TRADING	136.00 (402) 11	131.50 (400) 5	132.00 (402) 11	133.00 (408) 15	133.00 (409) 9	134.25 (409) 9
SEP 00	129.00 (483) 0	131.02 (483) 0	136.02 (483) 15		136.02 (483) 0	135.90 (484) 6	134.00 (488) 5	135.02 (494) 12	137.00 (498) 5	137.00 (501) 6
OCT 00	130.25 (338) 2	133.00 (337) 9	138.00 (337) 18		138.00 (337) 0	137.90 (338) 2	135.00 (339) 5	135.02 (339) 3	138.50 (339) 14	138.00 (339) 4

## CME - MILK FUTURES -- Dollars per cwt.

MAY 00	9.38 (752) 0	9.38 (752) 0	9.38 (751) 2	NO TRADING	9.38 (751) 0	9.38 (750) 8	9.38 (746) 0	9.37 (746) 0		
JUN 00	9.90 (1299) 0	9.90 (1320) 31	9.77 (1330) 34		9.87 (1330) 22	9.85 (1336) 8	9.85 (1336) 40	9.85 (1316) 25	9.85 (1314) 11	9.70 (1313) 65
JUL 00	11.45 (1545) 17	11.46 (1544) 32	11.47 (1544) 11		11.56 (1539) 40	11.52 (1545) 13	11.55 (1549) 50	11.71 (1550) 23	11.53 (1572) 40	11.40 (1601) 56
AUG 00	12.15 (1454) 6	12.15 (1454) 25	12.10 (1463) 38		12.10 (1481) 51	12.01 (1491) 17	12.01 (1498) 12	12.10 (1500) 9	12.10 (1518) 50	11.97 (1531) 25
SEP 00	12.50 (1176) 1	12.50 (1174) 16	12.50 (1176) 33		12.48 (1193) 55	12.45 (1204) 18	12.47 (1209) 7	12.47 (1220) 31	12.40 (1227) 19	12.40 (1240) 21
OCT 00	12.55 (1081) 1	12.50 (1084) 9	12.54 (1077) 30		12.55 (1080) 8	12.45 (1082) 8	12.45 (1087) 5	12.45 (1092) 5	12.45 (1102) 19	12.47 (1108) 11
NOV 00	12.16 (681) 2	12.10 (683) 9	12.10 (689) 20		12.05 (697) 18	11.96 (702) 5	11.97 (702) 3	11.99 (704) 3	11.97 (703) 5	11.97 (712) 9
DEC 00	11.81 (602) 1	11.81 (600) 6	11.90 (600) 14		11.90 (602) 2	11.80 (603) 2	11.80 (603) 0	11.80 (603) 0	11.80 (609) 6	11.80 (614) 8
JAN 01	11.00 (68) 5	11.09 (68) 0	11.09 (70) 3		11.10 (74) 4	11.10 (81) 9	11.25 (85) 4	11.21 (85) 0	11.21 (85) 0	11.22 (87) 2
FEB 01	11.00 (20) 1	11.00 (20) 0	11.00 (20) 1		11.00 (21) 2	11.05 (26) 10	11.15 (26) 2	11.20 (26) 0	11.20 (26) 0	11.20 (28) 3
MAR 01	10.77 (8) 0	10.77 (8) 0	10.77 (8) 0		10.77 (10) 2	11.05 (25) 15	11.09 (25) 0	11.09 (25) 0	11.09 (25) 0	11.09 (28) 3

1/ At the CSCE/NYBT Open interest for BFP -- 100,000 pounds per contract. At the CME Open interest for BFP -- 200,000 pounds per contract.

For more detailed information, you may call our automated voice system at 608-224-5088 or the CSCE's Soft Fax at 212-742-6111.

**NOTE:** The CME started futures trading for dry whey and nonfat dry milk (NDM) on November 16, 1998. Up to this point, there have been no settling prices recorded for either product.

## INTERNATIONAL DAIRY MARKET NEWS

Information gathered May 29 - June 9, 2000

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

## WESTERN AND EASTERN EUROPE

**OVERVIEW: WESTERN EUROPE:** Milk production in Europe is seasonally strong, although a leveling and in instances declines are being reported. Milk handlers indicate that the production cycle trend has seemed to have flattened more so than peaked. Even though milk output is strong, dairy products are limited. Cheese production continues to be strong as demand continues to clear good volumes of cheese both domestically and internationally. Skim and whole milk powder production is seasonally active, although current production is being used to fill orders previously placed. In most instances, skim and whole milk powder are committed well into the future and often through the end of the milk production season. Milk powder prices are at or near levels not seen since 1996. European traders report that international buyer interest is strong. Most buyers are aware that they will not be sourcing powder from Europe for immediate or near term shipments. In fact, many buyers are finding it difficult to locate a willing trader that will commit to deliveries later in the season, due to the uncertainty of availability at that time. Some buyers are bidding for powder at higher prices than just two weeks ago, but not finding any sellers. The major problem is lack of supply and the uncertainty of sourcing needed supplies when shipments are due. Powder that is available is being priced higher than buyers are willing to pay. Reports indicate that skim milk powder is nearing the \$2000 per metric ton level and many traders feel that prices will surpass that level within the next few weeks.

**BUTTER/BUTTEROIL:** Butter markets are generally steady at unchanged prices, although the firm European dairy market situation is causing the butter market undertone to also strengthen. Butter demand is not aggressive at this time. International buying interest is limited. Some traders are reporting that Russian buyer interest is starting to occur, although it is still very early to speculate on how this demand will develop. Butter production continues to be running at seasonally active levels with stocks entering PSA.

82% BUTTERFAT:	1,250 - 1,325
99% BUTTERFAT:	1,400 - 1,575

**SKIM MILK POWDER (SMP):** Skim milk powder markets are firm with prices sharply higher. Prices are at or approaching levels not seen since 1996. Stocks are tight. International buying interest is strong. In many instances, buyers are not finding desired volumes, especially at prices that they are willing to pay. Buyer bid prices are higher than past weeks, but still below current offering prices. In most instances, there are no immediate offerings because current shipments are occurring for orders previously placed. Reports indicate the most of Europe's skim milk powder is committed for the balance of the milk production season.

1.25% BUTTERFAT:	1,900 - 1,985
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**WHOLE MILK POWDER (WMP):** Whole milk powder markets are firm with prices sharply higher. Stocks of powder are reported to be very limited. In many instances, whole milk powder producers have fully committed their current and near term production. Some have committed themselves through the end of the current milk production season. International buyer interest is strong. At this time, many buyer inquiries are going unfilled.

26% BUTTERFAT:	1,900 - 1,970
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**SWEET WHEY POWDER:** Whey powder market are firm with prices generally higher. Within the past few weeks, prices have increased as much as 15 - 20%. This percentage increase has been the sharpest in many years, in fact, some traders can't remember when they have increased as fast. Stocks of whey are plentiful due to strong cheese production. Much of the whey activity continues to center around the feed sector versus edible markets.

NONHYGROSCOPIC:	500 - 600
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**OVERVIEW: EASTERN EUROPE:** Conditions in Eastern Europe are much the same as they have been over the past few weeks. Milk output is seasonally strong, although lighter than last season at this time. Stocks of manufactured dairy products are equally as limited in Eastern Europe as in the West. In many instances, current output is already committed. International buying interest is strong for the limited supply. Reports indicate that milk output in Eastern Europe is anticipated to be lighter than last season, thus manufactured dairy product availability will also be lower.

## OCEANIA

**OVERVIEW:** The milk production season has now come to an end in the Oceania region of the world. Seasonal production estimates are much the same as they have been. In Australia, reports indicate a 7 - 8% increase over last season with New Zealand reporting 13% growth. Milk output during the past production season has been sufficient to maintain ongoing sales and provide adequate stocks to fulfill contractual commitments. For the most part, there are no additional volumes of manufactured dairy products for spot buyer interest. International buying interest is active, although this region will be out of the market until, at the earliest, late August or September. Producers in both Australia and New Zealand are looking forward to the upcoming production season. As the winter months arrive, moisture conditions in Australia are lower than desired while New Zealand is in better shape. Dairy producers in Australia are preparing for the de-regulation of the milk industry which will begin July 1. The total impact of the implementation and overall affects on dairy producers is yet to be seen. As in any new program, there is not 100% agreement, thus opinions of milk producers vary. Milk handlers will be monitoring their milk intakes and producers very closely once the program begins. Milk handlers indicate that they anticipate milk production and marketing logistics will change as the program unfolds.

**BUTTER:** Butter markets are generally steady at unchanged prices. Stocks of butter are in balance for ongoing needs with minimal volumes available for spot sale at this time. Oceania stocks have been fully committed and traders from this region indicate that they are out of the market for the next 3 - 4 months at the earliest. Most producers and handlers are looking forward to the new production season, even though the most recent season has just ended.

82% BUTTERFAT:	1,100 - 1,150
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**CHEDDAR CHEESE:** Cheese production has come to a season end. Stocks are sufficient to fill ongoing, previously committed sales. Oceania stocks of cheese are reported to be fully committed, thus no significant volumes are available for spot sales. International buying interest for cheese is not overly aggressive at this time. Oceania producers indicate that they will have adequate stocks to carry them until the new milk production season resumes in August/September.

39% MAXIMUM MOISTURE:	1,775 - 1,850
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**SKIM MILK POWDER (SMP):** Oceania skim milk powder markets are steady to firm. Prices are unchanged to slightly higher. Stocks of powder are reported to be fully committed to regular/ongoing buyers with no powder available for spot buyer interest. International buyer interest is very active. International buyers are aware of the Oceania supply situation and finding out that Europe is also committed for much of their current production season. Due to the tight supply situation, buyers are having difficulty in filling needs for immediate or near term use at favorable price levels.

1.25% BUTTERFAT:	1,600 - 1,725
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**WHOLE MILK POWDER (WMP):** Whole milk powder markets are steady to firm. Stocks are reported to be fully committed until the new milk production season resumes in August/September. Inventories are sufficient to meet committed sales. International buyer interest is very active, but Oceania handlers are out of the market for the next few months.

26% BUTTERFAT:	1,650 - 1,825
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Exchange rates for selected foreign currencies:	June 5, 2000
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.4303 Dutch Guilder	.4848 German Mark
.1446 French Franc	.4689 New Zealand Dollar
.1043 Mexican Peso	.5828 Australian Dollar
1.5192 British Pound	.0093 Japanese Yen
.2330 Polish Zloty	.9483 Euro

To compare the value of 1 US Dollar to Mexican Pesos:  $(1/.1043) = 9.5877$   
That is 1 US Dollar equals 9.5877 Mexican Pesos.

Source: "Wall Street Journal"



## APRIL 2000 DAIRY PRODUCTS HIGHLIGHTS

**BUTTER** production was 116.9 million pounds in April, 2.3 percent above April 1999 but 4.5 percent below March 2000. **AMERICAN TYPE CHEESE** production totaled 309.3 million pounds, 2.3 percent below April 1999 and 3.4 percent below March 2000. **TOTAL CHEESE** output (excluding cottage cheese) was 685.4 million pounds, 2.3 percent above April 1999 but 4.5 percent below March 2000. **NONFAT DRY MILK** production, for human food, totaled 146.8 million pounds, 10.1 percent above April 1999 and 5.2 percent above March 2000. **DRY WHEY** production, for human food, was 92.8 million pounds, 0.8 percent above April 1999 but 8.9 percent below March 2000. **ICE CREAM** (hard) production totaled 78.7 million gallons, 1.6 percent above April 1999 but 3.0 percent below March 2000.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	APR 2000	PERCENT CHANGE FROM:			PRODUCT	APR 2000	PERCENT CHANGE FROM:		
	1,000 LBS.	APR 1999	MAR 2000	YEAR TO DATE 1/		1,000 LBS.	APR 1999	MAR 2000	YEAR TO DATE 1/
BUTTER	116,917	2.3	-4.5	4.9	DRY BUTTERMILK	4,772	-5.5	1.1	---
CHEESE					YOGURT (PLAIN AND FLAVORED)	156,352	9.4	-7.8	---
AMERICAN TYPES 2/	* 309,303	-2.3	-3.4	3.8	CONDENSED WHEY, SOLIDS CONTENT 8/				
CHEDDAR	249,349	-2.3	-2.0	2.8	SWEET -TYPE, HUMAN FOOD	9,925	7.7	-1.3	---
SWISS	16,336	-13.3	-10.9	---	SWEET -TYPE, ANIMAL FEED	1,060	-25.1	-6.8	---
BRICK & MUENSTER	7,150	-1.5	3.4	---	DRY WHEY PRODUCTS				
CREAM & NEUFCHATEL	49,952	7.1	-18.2	---	DRY WHEY, HUMAN FOOD	92,752	0.8	-8.9	---
BLUE 3/					DRY WHEY, ANIMAL FEED	7,296	20.4	-4.6	---
HISPANIC	7,626	7.1	-8.7	C	REDUCED LACTOSE AND MINERALS				
MOZZARELLA	223,251	6.3	-1.8	6.8	HUMAN FOOD	7,071	-16.9	-25.9	---
OTHER ITALIAN TYPES	56,436	16.0	-5.9	15.6	ANIMAL FEED	3,325	27.4	2.5	---
TOTAL ITALIAN TYPES	279,687	8.2	-2.6	8.5	LACTOSE, HUMAN FOOD & ANIMAL FEED	42,532	1.3	-1.7	---
ALL OTHER TYPES	15,303	4.1	-3.6	---	WHEY PROTEIN CONCENTRATE				
TOTAL	685,357	2.3	-4.5	5.5	HUMAN FOOD	29,594	12.6	-2.1	---
COTTAGE CHEESE, CURD 4/	43,374	9.9	8.8	---	ANIMAL FEED	3,581	-11.3	-3.4	---
COTTAGE CHEESE, CREAMED 5/	28,496	-8.6	-9.0	-1.6	FROZEN PRODUCTS				
COTTAGE CHEESE, LOWFAT 6/	28,796	-3.0	-10.8	-0.8	1,000 GALLONS				
CANNED EVAPORATED & CONDENSED					PERCENT CHANGE FROM:				
WHOLE MILK	27,937	-30.0	-28.9	---	ICE CREAM (HARD)	78,668	1.6	-3.0	2.6
DRY WHOLE MILK	12,341	38.4	4.2	---	ICE CREAM, LOWFAT (HARD)	7,615	-15.5	-3.7	---
NONFAT DRY MILK, HUMAN FOOD	7/ 146,797	10.1	5.2	10.9	ICE CREAM, LOWFAT (SOFT)	25,617	-4.1	-4.5	---
DRY SKIM MILK, ANIMAL FEED	461	18.2	7.5	---	ICE CREAM, LOWFAT (TOTAL)	33,232	-7.0	-4.3	-4.4
					SHERBET (HARD)	4,651	-1.1	1.3	-1.8
					YOGURT (TOTAL)	7,710	-16.8	-7.8	-14.3

## MANUFACTURERS' STOCKS, END OF MONTH 9/

PRODUCT	APR 2000	PERCENT OF:		PRODUCT	APR 2000	PERCENT OF:	
	1,000 LBS.	APR 1999	MAR 2000		1,000 LBS.	APR 1999	MAR 2000
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	43,835	-22.2	2.7	HUMAN FOOD	15,817	-8.4	5.2
DRY WHEY, ANIMAL FEED	7,747	-23.0	10.9	ANIMAL FEED	1,465	-29.6	13.6
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 10/	11,956	-3.7	2.8	CANNED EVAPORATED & CONDENSED WHOLE MILK	38,753	6.5	1.7
LACTOSE, HUMAN FOOD & ANIMAL FEED	24,530	-7.0	-0.2	DRY WHOLE MILK	8,228	43.2	55.3
DRY BUTTERMILK, TOTAL	4,862	-33.0	-24.0	NONFAT DRY MILK FOR HUMAN FOOD	195,622	38.5	16.5
				DRY SKIM MILK FOR ANIMAL FEED	1,339	-19.7	10.5

1/ 2000 cumulative as percent change of 1999 cumulative. 2/ Whole milk cheese, including Cheddar, colby, monterey and jack. 3/ Not shown when individual plant operations could be disclosed. Included in All Other Types of Cheese. 4/ Mostly used for processing into creamed or lowfat cottage cheese. 5/ Fat content 4 percent or more. 6/ Fat content less than 4 percent. 7/ Includes combined Minnesota and Wisconsin production of 2,524,000 lbs. 8/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 9/ Stocks held by manufacturers at all points and in transit. 10/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. \*Includes combined Minnesota and Wisconsin production of 131,163,000 lbs.

SOURCE: "Dairy Products," Da 2-6 (6-00), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

## FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, MAY

**Component Price Information:** Under the Federal milk order pricing system, the butterfat price for May 2000 is \$1.2854 per pound. Thus, the Class II butterfat price is \$1.2924. The protein and other solids prices for April are \$1.5514 and \$0.0403 per pound, respectively. These component prices set the Class III skim milk price at \$5.05 per cwt. The April Class IV skim milk price is \$7.68 which is derived from the nonfat solids price of \$0.8530 per pound.

**Product Price Averages:** The product price averages for April are; butter \$1.1680, nonfat dry milk \$1.0071, cheese \$1.1022, and dry whey \$0.1760.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT <u>1/ 2/</u>						
FEDERAL MILK ORDER MARKETING AREAS <u>3/</u>	ORDER NUMBER	MAY 2000				JUNE 2000
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) <u>4/</u>	001	14.73	12.63	9.37	11.91	14.95
Appalachian (Charlotte) <u>5/</u>	005	14.58	12.63	9.37	11.91	14.80
Southeast (Atlanta) <u>6/</u>	007	14.58	12.63	9.37	11.91	14.80
Florida (Tampa ) <u>7/</u>	006	15.48	12.63	9.37	11.91	15.70
Mideast (Cleveland) <u>8/</u>	033	13.48	12.63	9.37	11.91	13.70
Upper Midwest (Chicago) <u>9/</u>	030	13.28	12.63	9.37	11.91	13.50
Central (Kansas City) <u>10/</u>	032	13.48	12.63	9.37	11.91	13.70
Southwest (Dallas) <u>11/</u>	126	14.48	12.63	9.37	11.91	14.70
Arizona-Las Vegas (Phoenix) <u>12/</u>	131	13.83	12.63	9.37	11.91	14.05
Western (Salt Lake City) <u>13/</u>	135	13.38	12.63	9.37	11.91	13.60
Pacific Northwest (Seattle) <u>14/</u>	124	13.38	12.63	9.37	11.91	13.60
All-Market Average	---	14.06	12.63	9.37	11.91	14.28

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide 11.63--the approximate number of gallons in 100 pounds of milk.

2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

3/ Names in parentheses are principal pricing points of markets.

4/ Class I prices at other points are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25.

5/ Class I prices at other points are: Knoxville, minus \$0.30 and Louisville, minus \$0.90.

6/ Class I prices at other points are: New Orleans; plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90.

7/ Class I prices at other points are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30.

8/ Class I prices at other points are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

9/ Class I prices at other points are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

10/ Class I prices at other points are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

11/ Class I prices at other points are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

12/ Class I price at Las Vegas is minus \$0.35.

13/ Class I price at Boise is minus \$0.30.

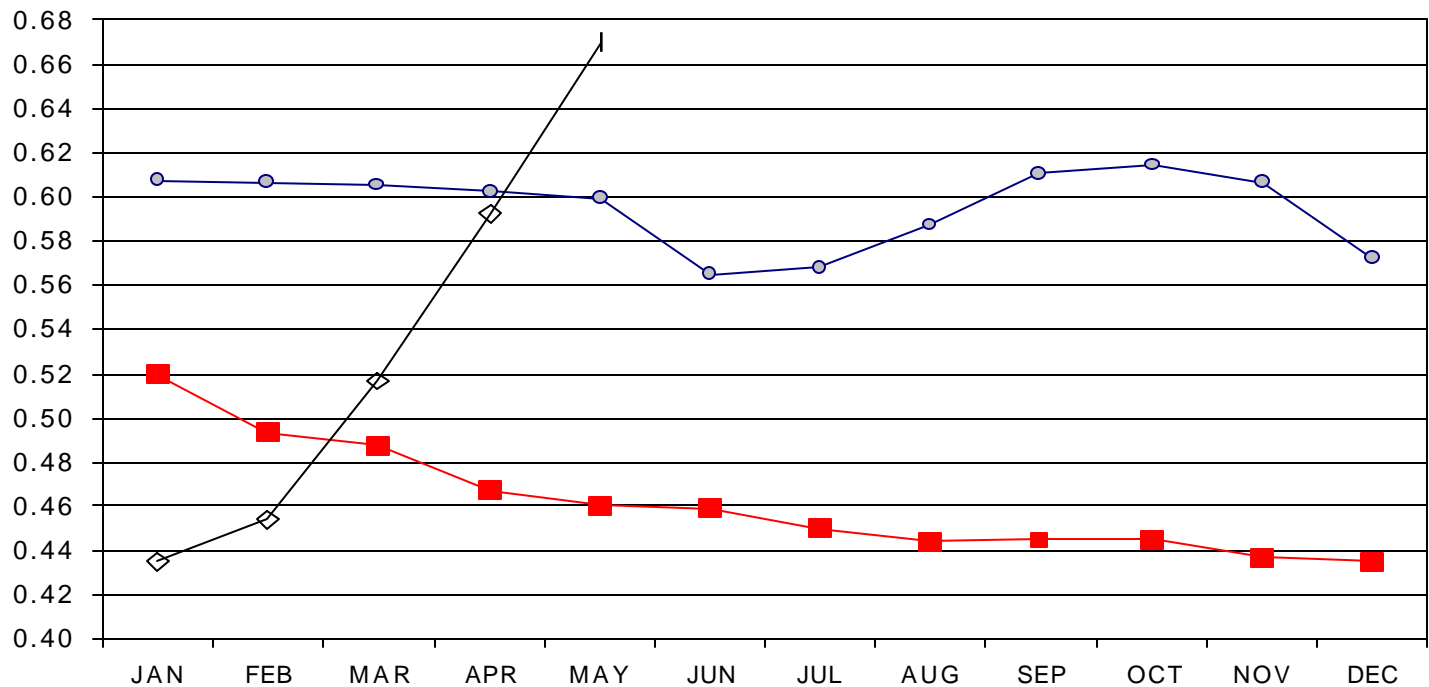
14/ Class I prices at other points are: Portland, same; and Spokane, same.

ANNOUNCED COOPERATIVE AND MINIMUM FEDERAL ORDER CLASS I PRICES IN SELECTED CITIES 1/												
CITY	JUN 1998			JUN 1999			MAY 2000			JUN 2000		
	Federal Order	Coop.	Difference	Federal Order	Coop.	Difference	Federal Order	Coop.	Difference	Federal Order	Coop.	Difference
	Dollars Per Hundredweight											
Atlanta, GA	15.09	16.39	1.30	14.89	16.04	1.15	14.58	16.16	1.58	14.80	16.13	1.33
Baltimore, MD	15.04	16.09	1.05	14.84	16.35	1.51	14.48	16.03	1.55	14.70	16.25	1.55
Boston, MA *	15.25	15.73	0.48	15.05	15.53	0.48	14.73	15.21	0.48	14.95	15.43	0.48
Carbondale, IL	14.02	15.68	1.66	13.82	15.53	1.71	13.68	15.39	1.71	13.90	15.61	1.71
Charlotte, NC	15.09	16.39	1.30	14.89	16.04	1.15	14.58	16.16	1.58	14.80	16.13	1.33
Chicago, IL	13.41	15.00	1.59	13.21	15.10	1.89	13.28	15.22	1.94	13.50	15.17	1.67
Cincinnati, OH	14.12	15.87	1.75	13.92	15.62	1.70	13.68	15.53	1.85	13.90	15.60	1.70
Cleveland, OH	14.01	15.76	1.75	13.81	15.31	1.50	13.48	15.18	1.70	13.70	15.30	1.60
Dallas, TX	15.17	15.42	0.25	14.97	15.22	0.25	14.48	15.53	1.05	14.70	15.50	0.80
Denver, CO	14.74	14.99	0.25	14.54	16.29	1.75	14.03	15.83	1.80	14.25	15.98	1.73
Des Moines, IA	13.56	14.21	0.65	13.36	14.36	1.00	13.28	14.62	1.34	13.50	14.69	1.19
Detroit, MI	13.86	14.86	1.00	13.66	14.62	0.96	13.28	14.53	1.25	13.50	14.53	1.03
Hartford, CT *	15.15	15.63	0.48	14.95	15.43	0.48	14.63	15.11	0.48	14.85	15.33	0.48
Houston, TX	15.71	15.96	0.25	15.51	15.76	0.25	15.08	16.13	1.05	15.30	16.10	0.80
Indianapolis, IN	13.91	15.46	1.55	13.71	15.26	1.55	13.48	15.33	1.85	13.70	15.40	1.70
Kansas City, MO	13.93	14.53	0.60	13.73	14.73	1.00	13.48	14.88	1.40	13.70	14.89	1.19
Louisville, KY	14.78	15.43	0.65	13.92	14.92	1.00	13.68	14.88	1.20	13.90	14.85	0.95
Memphis, TN	14.12	15.22	1.10	14.58	15.38	0.80	14.28	15.61	1.33	14.50	15.58	1.08
Miami, FL	16.19	18.91	2.72	15.99	18.36	2.37	15.78	18.67	2.89	16.00	18.64	2.64
Milwaukee, WI	13.32	14.91	1.59	13.12	15.01	1.89	13.23	15.17	1.94	13.45	15.12	1.67
Minneapolis, MN	13.21	13.86	0.65	13.01	14.01	1.00	13.18	14.52	1.34	13.40	14.47	1.07
New Orleans, LA	15.66	16.31	0.65	15.46	15.91	0.45	15.08	16.31	1.23	15.30	16.28	0.98
Oklahoma City, OK	14.78	15.38	0.60	14.58	15.58	1.00	14.08	15.38	1.30	14.30	15.35	1.05
Omaha, NE	13.76	14.36	0.60	13.56	14.56	1.00	13.33	14.62	1.29	13.55	14.69	1.14
Philadelphia, PA	15.10	16.12	1.02	14.90	16.38	1.48	14.53	16.20	1.67	14.75	16.42	1.67
Phoenix, AZ	14.53	14.53	0.00	14.33	14.33	0.00	13.83	14.43	0.60	14.05	14.65	0.60
Pittsburgh, PA	14.01	14.81	0.80	13.81	15.07	1.26	13.58	14.98	1.40	13.80	15.10	1.30
St. Louis, MO	14.02	15.68	1.66	13.82	15.53	1.71	13.48	15.19	1.71	13.70	15.41	1.71
Salt Lake City, UT	13.91	14.06	0.15	13.71	13.96	0.25	13.38	13.63	0.25	13.60	13.85	0.25
Seattle, WA	13.91	15.38	1.47	13.71	15.38	1.67	13.38	13.76	0.38	13.60	14.08	0.48
Spokane, WA	13.91	15.38	1.47	13.71	15.38	1.67	13.38	13.76	0.38	13.60	14.08	0.48
Springfield, MO	14.20	14.75	0.55	14.00	15.00	1.00	13.68	14.98	1.30	13.90	14.95	1.05
Washington, DC	15.04	16.09	1.05	14.84	16.35	1.51	14.48	16.03	1.55	14.70	16.25	1.55
Simple Average	14.44	15.43	0.99	14.24	15.40	1.16	13.96	15.30	1.34	14.18	15.39	1.21

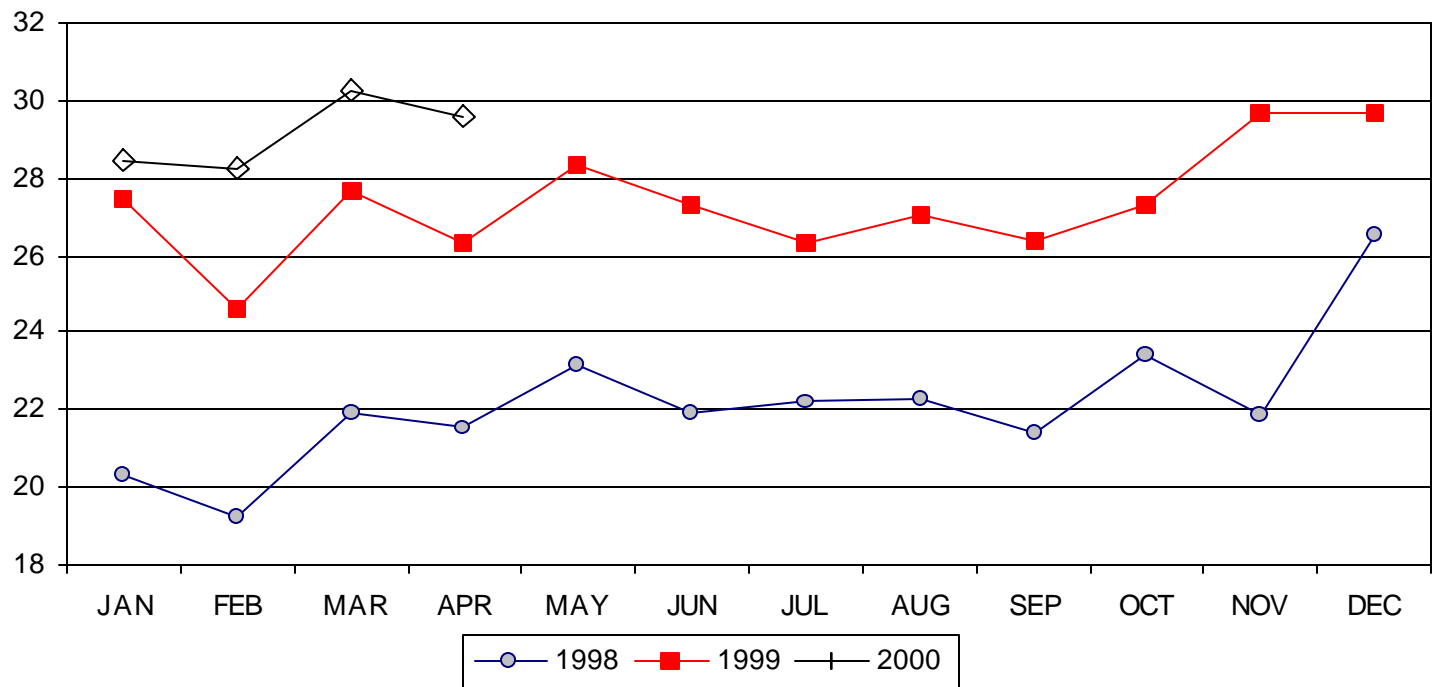
\*NOTE: The Northeast Dairy Compact has established a Class I price level of \$16.94. The Compact obligation is \$16.94 less the Federal order Class I price shown for Boston. The effective Class I price level is the Federal order price at location plus the Compact obligation plus the figure shown under the column labeled "Difference". When the Federal order Class I price shown for Boston is higher than the Compact Class I price, the Compact price is not effective.

1/ Class I prices announced for the beginning of the month by the major cooperative in each city market. These prices may not apply to all of the Class I sales in these city markets. Announced prices may not include handling or service charges applicable to milk from supply plants and competitive credits which may be allowed. These prices have not been verified as having been actually paid by handlers.

### Central & West WPC Monthly Average Mostly Prices \$ Per Pound



### U.S. Dry WPC Production, Human Million Pounds



## CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF JUNE 5 - 9, 2000			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/99	SAME PERIOD LAST YEAR	PERIOD ENDING 06/02/00	SAME PERIOD LAST YEAR
<b>BUTTER</b>							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHEESE</b>							
Block	-0-	-0-	-0-	1,206,947	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	5,583,600	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	6,790,547	-0-	-0-	-0-
<b>NONFAT DRY MILK</b>							
Nonfortified	14,397,930	658,709	13,739,221	345,420,749	122,785,633	-0-	-0-
Fortified	-0-	-0-	-0-	5,313,347	118,457	-0-	-0-
<b>TOTAL</b>	14,397,930	658,709	13,739,221	350,734,096	122,904,090	-0-	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS	MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF JUNE 5 - 9, 2000 =	3.0	159.9	COMPARABLE WEEK IN 1999 =	1.9
CUMULATIVE SINCE OCTOBER 1, 1999 =	139.8	4,149.8	CUMULATIVE SAME PERIOD LAST YEAR =	27.0
CUMULATIVE JANUARY 1 - JUNE 9, 2000 =	128.6	3,556.6	COMPARABLE CALENDAR YEAR 1999 =	27.0

\* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

\*\*Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

## CCC ADJUSTED PURCHASES FOR THE WEEK OF JUNE 5 - 9, 2000 (POUNDS)

	BUTTER			CHEESE			NONFAT DRY MILK	
REGION	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	745,155	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	12,994,066	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

## CCC ADJUSTED PURCHASES SINCE 10/1/99 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
REGION	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99
MIDWEST	-0-	-0-	6,710,019	-0-	40,907,884	11,092,065	50.7	9.0
WEST	-0-	-0-	80,528	-0-	306,462,543	111,812,025	48.8	91.0
EAST	-0-	-0-	-0-	-0-	3,363,669	-0-	0.5	0.0
<b>TOTAL</b>	-0-	-0-	6,790,547	-0-	350,734,096	122,904,090	100.0	100.0

## SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 2000

MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

## DOLLARS PER POUND

BUTTER: Bulk \$.6500; 1# Prints \$.6800

CHEESE: 40 &amp; 60# Blocks \$1.1000; 500# Barrels \$1.0700; Process American 5# \$1.1525; Process American 2# \$1.1925

NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675

## Dairy Cow &amp; Total Cow Slaughter under Federal Inspection, by Regions &amp; U.S., for Week Ending 05/20/00 &amp; Comparable Week 1999 1/ 2/

Regions*											U.S. TOTAL		% DAIRY OF ALL		
	1	2	3	4	5	6	7	8	9	10	WEEK SINCE JAN 1	WEEK SINCE JAN 1			
2000-Dairy cows	HD (000)	0.2	0.9	5.5	4.5	19.6	2.0	0.6	0.6	9.6	2.7	46.3	1,077.9	44.5	49.9
1999-Dairy cows	HD (000)	0.3	1.0	5.4	5.9	18.1	1.9	2.7	0.5	9.2	2.5	47.3	1,051.5	42.0	46.3
2000-All cows	HD (000)	0.2	1.1	7.5	13.2	28.6	16.7	14.8	4.0	11.8	6.2	104.0	2,159.4		
1999-All cows	HD (000)	0.3	1.0	7.3	18.3	24.4	15.5	20.7	4.6	13.0	7.4	112.5	2,270.0		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

## FEDERAL MILK ORDER CLASS PRICES FOR 2000 (3.5% BF)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Class I 1/	10.90	10.71	10.84	10.93	11.48	11.70						
Class II	11.43	11.51	11.71	12.10	12.63							
Class III	10.05	9.54	9.54	9.41	9.37							
Class IV	10.73	10.80	11.00	11.38	11.91							

1/ Specific order differentials to be added to this base price are located at: [www.ams.usda.gov/dairy/fmor\\_announce.htm](http://www.ams.usda.gov/dairy/fmor_announce.htm)